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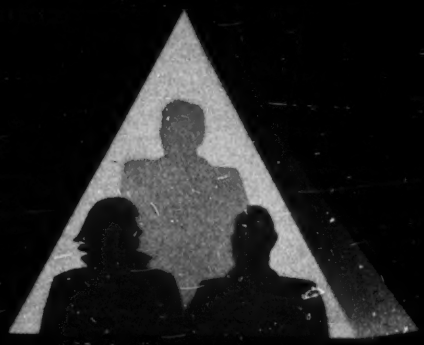
How the Bond Funds Rate



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Antitrust Is Not Dead

Presidents' Panel: Upbeat on 1986 and 1987

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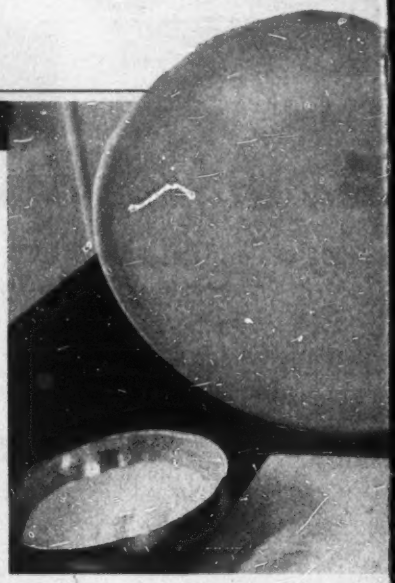

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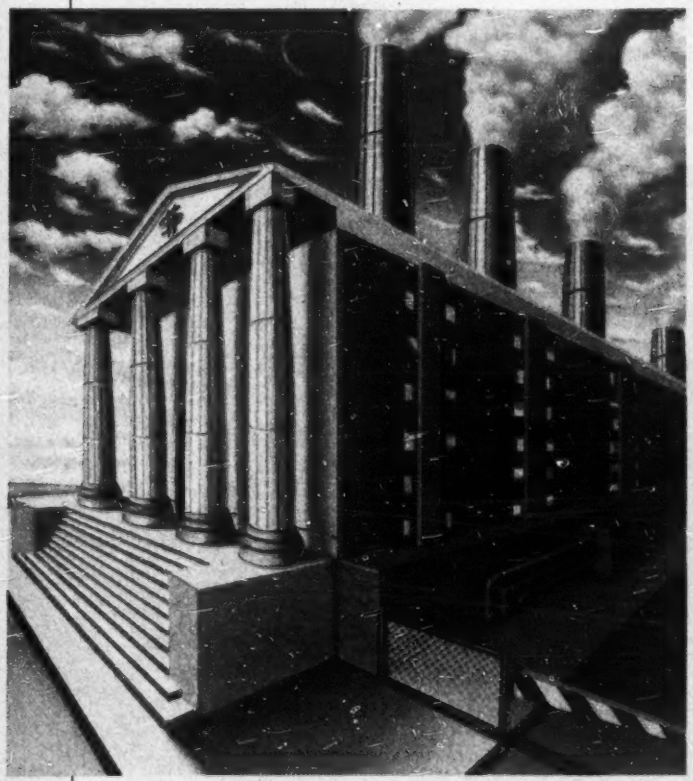

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Rating the Bond Funds

Individual investors have been cashing in on the biggest bond rally in recent memory by putting $90 billion into bond funds. A guide to picking the right fund.

by Mary Rowland

Oh what a beautiful bond rally! For the first time since most traders can remember, bond prices are going up, up and up. Indeed, since the beginning of last year, their dazzling advance has outpaced even that of stocks. "In the bond business, we're not used to all this good fortune," says Richard R. Seamans, managing director at Scudder, Stevens & Clark. "This is the sharpest and most sustained rally I've ever seen and you have to say it will keep going until the last bear is in."

Bulls and bears have been pouring into the bond market in record numbers—typically by buying bond funds. High yields lured individuals and institutions into staking almost $90 billion in bond funds last year. That was more than three times the amount invested in stock funds. And at year-end, bond fund assets stood at $141.3 billion versus $109.6 billion in equity funds.

Bond funds offer a convenient way to buy into a diversified portfolio of fixed-income securities. There are funds that invest in Treasuries, tax-exempts, mortgages, corporate bonds and junk bonds. Usually sold by well-known mutual fund organizations, many require as little as $250 minimum investment or $2,000 for Individual Retirement Accounts.

Mary Rowland writes on business and finance from New York City.

But choosing bond funds is difficult. Most investors are novices in bond investing and few funds have long track records upon which to evaluate their performance.

To help investors, DUN'S BUSINESS MONTH, using results calculated by Lipper Analytical Services, has ranked more than 250 bond funds in seventeen categories by their performance in 1985. Only funds that were started before January 1, 1985 are included. The tables rank all Ginnie Mae funds and U.S. mortgage funds and all general muncipal funds, intermediate municipals, high-yield municipals and state municipals. In other categories, the top ten performers are listed. The funds are ranked by total return (interest earned plus capital gains or losses) excluding sales or management fees.

In selecting a bond fund, there are many factors to consider:

☐ The category of bonds—taxable versus tax-exempt.

☐ The safety or creditworthiness of the issues in the fund.

☐ The maturity of the issues—whether the fund manager varies maturities according to his interest rate outlook or is restricted to a maturity category such as intermediate bonds.

☐ Investment strategy.

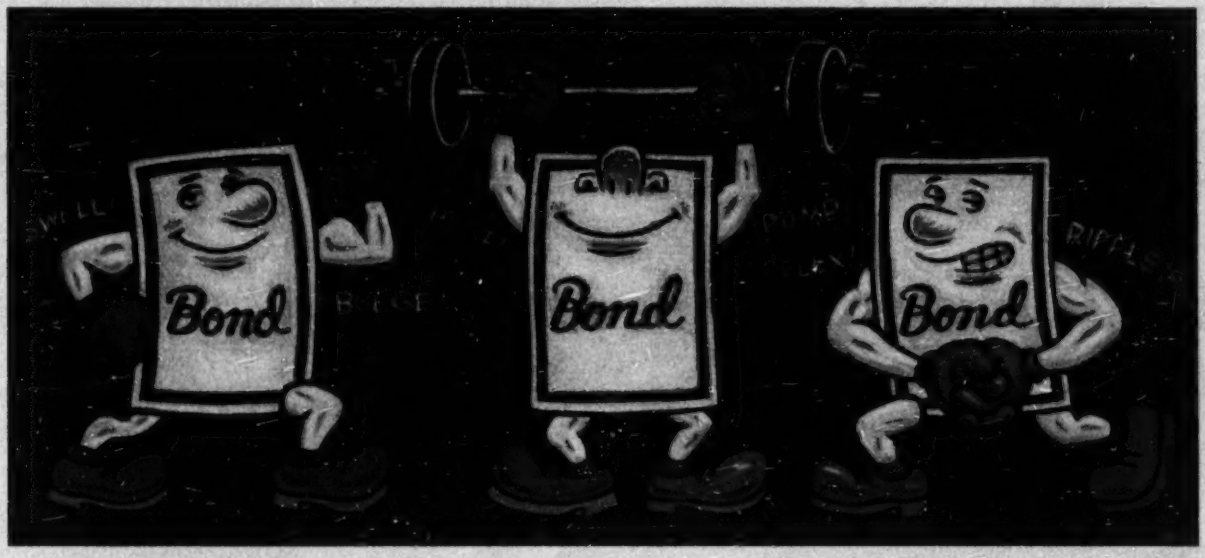
☐ Past performance in bull and bear bond markets.

Bond fund managers pursue different investment strategies: Some trade more than others; some buy riskier bonds; some use options or futures to enhance returns. As a result, similar funds produce widely varying results. For example, among general municipal funds last year, United Municipal Bond gained 24.25%, while Venture Municipal Plus earned a meager 5.56%.

Bond fund investors have recently gotten higher returns than they bargained for. With rates plummeting, last year the typical fund earned as much or more from capital gains as from coupon interest payments (bond prices move inversely to rates). The median performer of fifteen Ginnie Mae funds (*see tables, page 62*) gained more than 19% and the median of sixty municipal funds (*see tables, page 62*) rose more than 20%—largely tax-free.

What most investors didn't get—with a handful of exceptions—is management that outperformed the market average. Several recent surveys found that more than two-thirds of the professional managers failed to beat a broad bond-market index. After paying sales and management fees, which may run 7% and more, many investors fail to capture even the below-average returns that the managers achieve.

Because results during periods of rising and falling prices can be useful in gauging a fund's future performance, DUN'S BUSINESS MONTH bond fund



rankings also evaluate fund performance during recent bull and bear markets. Each fund's performance (based on capital gains and losses only) is compared to the average of all funds in the same category during two periods of rising bond prices—the fourth quarters of 1984 and 1985. Funds that outperformed the average during both periods are indicated by a + (plus) sign. Those that underperformed are given a – (minus) sign. Those that outperformed in one period and underperformed in the other are given a 0. The same system is used to indicate performance during two periods of declining bond prices—the second quarter of 1984 and the third quarter of 1985.

An investor should try to find a fund that performed well in the interest rate environment he is anticipating, says Robert S. Dow, director of fixed income investments at Lord, Abbett & Co. "We think rates will continue to decline over the next three to five years," he says. "Funds that perform well in a declining market will do well." But, he advises, "if you think rates will rise, look at how funds have performed in that environment."

Managers who expect rising rates buy shorter-maturity issues to stem losses. In fact, a Lipper study found that after the market went down for a quarter, fund managers shortened their maturities. If an investor wants a long-term fund because he thinks rates have peaked, it may be hard to find one. "If you want to buy long-term Treasuries, see if the portfolio is invested that way and if it can change," cautions Maureen J. Busby, vice president of Lipper Analytical Services.

While interest-rate risk is the major hazard, investors must also consider credit risk—that is, the risk of default on the bond's interest and principal payments or perception by the market that the issuer is less able to repay—which can send prices plummeting. "You want to make sure the fund is doing its own credit research," says Scudder's Seamans. The only way to find out "is to call them up and ask what kind of staff and procedures they have to do credit research."

Theoretically, risk and reward go hand in hand in determining bond performance—even more than in stocks. Usually, the creditworthiness of the issuer and the bond's maturity affect how much the price will swing in response to a change in interest rates. Given a one percentage point rise in rates, say, a short-term bond will fall much less than a long-term issue.

But in reality, some bonds don't perform according to this pattern—and last year was no exception. A good example was U.S. Governments. "Contrary to what you might expect," Busby says, "the difference in creditworthiness didn't reduce the price volatility. If people are buying governments with the perception that they are lower risk, the last couple of years wouldn't support that."

Predictably, the corporate BBB trading funds produced the wildest swings, far wider even than the junk corporate bond funds. And the convertible funds behaved more like equities than bonds, Busby says.

For municipal bond funds last year, risks and rewards correlated closely; lower-risk bonds produced slightly lower returns than higher-risk bonds. High-yield munis, however, rose less than expected. The intermediates were the most stable in price, as expected. "If you don't want lots of price volatility, you control it in the intermediate munis," Busby says, "but you give up something on the coupon."

Analysts and economists don't think the bond rally is over yet. "We anticipate that by July 4th, we'll see the long Treasury bond at 7¼%," says Stan Shipley, economist at E.F. Hutton. "We continue to see a good rally for the next three to four months."

But Shipley expects the rally to pause in the second half of the year. If that happens, bond fund investors will have to be nimble. When rates head up, all their recent profits could vanish, and those who don't move out of bond funds quickly enough might find themselves with losses. ■

ILLUSTRATION BY DAVID COULSON

DUN'S BUSINESS MONTH BOND FUND RANKINGS

TOTAL ASSETS (MILLIONS) 12/31/85	FUND	TOTAL RETURN/ 1 YEAR 12/31/84 to 12/31/85	Rank	TOTAL RETURN/ 3 YEARS 12/31/82 to 12/31/85	Rank	TOTAL RETURN/ 5 YEARS 12/31/80 to 12/31/85	Rank	BULL MARKET 4th quarter '84 4th quarter '82	BEAR MARKET 2nd quarter '84 2nd quarter '80	NET ASSET VALUE* 12/31/85
U.S. GOVERNMENT FUNDS These funds invest exclusively in U.S. Treasury obligations.										
$86.0	Lord Abbett U.S. Government	23.00%	1	52.90%	1	122.17%	1	0	–	$3.20
94.0	United Government	22.80	2					0		5.73
169.5	Kemp Income Shares N	22.44	3	51.44	2	111.65	2	+	0	13.80
16.3	Carnegie High Yield Government	22.11						0	0	10.43
17.2*	AIM-EV U.S. Government	21.04	5	39.45	9	105.86	3		0	10.16
139.1	John Hancock U.S. Securities	20.09	6	45.30	5	69.31	6	0	0	9.24
2005.1	Colonial Government Securities Plus	19.70	7					–	–	12.41
3049.8	Hutton Investment Series Government	18.66	8					–	–	10.21
51.0	Composite U.S. Government Securities	18.53	9	44.37	6			–	+	1.07
23.9	Capital Preservation Treasury Note Trust	18.21	10	42.71	7	85.43	6	+	0	11.20
GINNIE MAE FUNDS These funds invest a minimum of 65% of their portfolio in Government National Mortgage Association securities.										
$1150.7	Kemper U.S. Government Securities	22.92%	1	49.54%	3	93.27%	4	0	0	$9.47
3.9	FPA New Income	21.31	2	49.81	2	94.07	3	+	+	9.37
1143.1	Vanguard Fixed Income N	20.69	–	50.39	1	108.09	2	+	0	9.94
1838.6	Fidelity Webster GNMA	20.33	4					0		10.32
3806.0	Prudila U.S. Government	20.01	5	48.13	4	111.42	1	0	0	7.52
281.0	Smith Barney U.S. Government	19.73	6							13.95
33.9	LB U.S. Government Securities	19.69	7					0		10.90
506.4	Federated GNMA Trust N	19.52	8	47.66	5			+	0	11.39
4521.1	Merrill Lynch Federal	19.46	9					0	–	9.99
576.9	AARP GNMA N	18.40	10							15.94
67.1	Lexington GNMA Income N	17.13	11	41.09	8	81.64	5	+	–	9.06
1498.8	Putnam U.S. Government	16.72	12					0	–	14.70
291.6	AIM Government Guaranteed Securities	16.62	13					–	–	10.40
14.8	Pilgrim GNMA	15.97	14					–		15.95
7447.6	Dean Witter U.S. Government N	14.00	15					–	–	10.53
U.S. MORTGAGE FUNDS These funds invest a minimum of 65% of their portfolio in mortgages securities issued or guaranteed as to principal and interest by the U.S. government.										
$1810.0	Van Kampen Merritt Government	22.36%	1					0		$16.25
464.9	Fidelity Mortgage N	18.57	2							10.48
809.4	Alliance Mortgage Income	18.56	3					0	0	9.97
102.9	First Investors Government	18.03	4					–		12.24
95.2	Value Investors Guaranteed Income N	17.82	5					+	–	10.71
1469.5	Shearson Managed Government	17.08	6					–	–	13.40
508.1	Fund for U.S. Securities N	16.37	7	46.14	1	103.81	1	–	–	8.77
408.7*	National Federal Securities Trust	15.42	8							11.65
GENERAL MUNICIPAL FUNDS These funds invest 60% or more of their assets in tax-exempt bonds issued by states and municipalities in the top four credit ratings.										
$319.6	United Municipal Bond	24.26%	1	49.32%	9	80.95%	20	+	+	$6.95
906.5	Prudential Tax-Exempt Income	23.56	2	48.22	13	112.48	2	0	0	23.72
324.8	Dreyfus Tax-Exempt Bond N	23.08	3	51.80	2	105.28	4	+	0	8.93
120.3	American Capital Municipal Bond	23.05	4	48.40	9	95.71	7	+	+	19.66
102.8	Financial Tax-Free Income N	22.86	5	43.42	23			+	0	15.00
16.9	BMC Tax-Free Income GNMA	22.66	6					+	+	10.71
9.6	Sigma Tax-Free Bond	22.48	7	48.23	24	72.54	33	+	–	8.81
186.9	Cigna Municipal Bond	22.31	8	48.71	24	77.79	25	0	0	7.69
419.0	Value Tax-exempt Income N	22.01	9	51.02	4	141.02	1	0	–	10.95

Footnotes: *Asset value as of September 30, 1985. N after a fund name means there is no sales charge. NA means not applicable.
Definitions: Total Return is the increase in a fund's net asset value from interest income and capital gains or losses. Bull Market is a period of rising bond prices (and falling interest rates). Bear Market is a period of falling bond prices (and rising interest rates). Plus (+) means the fund outperformed the average of all funds in the same category during the quarters indicated. Minus (–) means the fund underperformed the average of all funds in the same category during the quarters indicated. 0 means that the fund outperformed in one period and underperformed in the other.
Source: Lipper Analytical Services

An exclusive survey of the performance of 257 bond funds. The tables rank all Ginnie Mae funds and U.S. mortgage funds and all the general municipal funds, intermediate municipals, high-yield municipals and state municipals. In other categories, the top ten performers are listed.

TOTAL ASSETS (MILLIONS) 12/31/95	FUND	TOTAL RETURN/ 1 YEAR 12/31/95 to 12/31/96	Rank	TOTAL RETURN/ 5 YEARS 12/31/90 to 12/31/95	Rank	TOTAL RETURN/ 8 YEARS 12/31/88 to 12/31/96	Rank	BULL MARKET 4th quarter '94 4th quarter '95	BEAR MARKET 2nd quarter '94 2nd quarter '95	NET ASSET VALUE 12/31/96
$83.2	MEL Tax-exempt Bond	21.92%	10	43.25%	25	100.35%	6	+	0	$7.53
135.9	SAFECO Municipal Bond N	21.61	11	47.87	9			–	–	12.76
238.6	John Hancock Tax-exempt Trust	21.54	12	42.79	30	74.61	30	+	+	10.35
32.1	Eaton Vance Municipal Bond	21.49	13	44.06	20	90.93	10	+	+	8.42
58.6	Composite Tax-exempt Bond	21.48	14	43.50	22	76.98	27	–	0	7.10
11.0	Bull & Bear Tax-free Income N	21.45	15					+	–	16.88
60.9	Seligman Tax-exempt National	21.45	16					0	0	7.71
19.8	Sears Tax-exempt Reinvestment N	21.41	17					0	+	11.40
94.0	Oppenheimer Tax-free Bond	21.36	18	56.95	1	104.82	5	+	+	8.86
503.5	Nuveen Municipal Bond N	21.36	19	45.06	17	78.32	23	–	+	8.24
486.9	Dean Witter Tax-exempt	21.29	20	49.01	7	92.66	9	0	0	10.75
166.0	Mutual Qualified Tax-free	21.25	21	42.44	31	75.25	29	+	0	10.81
56.1	National Security Tax-exempt	21.22	22	46.27	12	80.80	18	+	0	9.20
674.5	Kemper Municipal Bond	21.16	23	51.30	3	95.19	8	0	+	8.89
30.8	General Tax-exempt Bond	21.07	24					+	0	13.80
493.9	Vanguard Municipal/Long Term N	20.80	25	43.60	21	76.77	26	0	–	10.23
173.2*	Franklin Federal Tax-free Income	20.68	26					0	0	11.06
515.6	MFS Managed Municipal Bond	20.63	27	49.76	5	109.44	3	–	+	10.03
42.2	State Farm Municipal N	20.58	28	42.86	29	75.44	28	0	0	7.24
594.1	Nuveen National Municipal	20.53	29					0	0	11.07
16.1	Babson Tax-free/Long N	20.36	30	49.07	6	73.09	32	+	–	9.02
434.6	Shearson Managed Municipal	20.23	31	46.68	11			+	0	14.57
649.3	IDS Tax-exempt Bond	20.20	32	45.48	16	87.46	15	+	–	3.76
902.0	Fidelity Municipal Bond N	20.09	33	43.05	28	79.44	21	0	–	7.42
560.2	Keystone Tax-free N	19.96	34	43.06	27	87.95	12	0	0	8.32
57.5	Columbia Municipal Bond N	19.78	35					–	–	10.62
167.3	Tax-Exempt Bond Fund America	19.77	36	41.42	32	67.36	34	+	0	10.50
102.9	Value Line Tax-Exempt/Long N	19.75	37					0	0	10.70
511.6	USAA Tax-Exempt High Yield N	19.66	38	47.12	10			0	0	12.81
1191.9	Merrill Lynch Municipal/Insured	19.56	39	45.53	15	78.35	22	–	+	7.53
25.4	Quality Tax-free Bond Portfolio	19.53	40					+	–	10.45
67.4	Bullock Tax-free Shares	19.47	41	44.46	19	89.80	15	0	–	10.41
2949.5	Dreyfus Tax-exempt Bond N	19.42	42	44.76	18	81.76	18	–	+	11.97
5.8	Selected Tax-exempt Bond N	19.37	43	37.84	37	66.67	35	0	–	12.85
472.4	Vanguard Municipal Bd. Insured/Long N	19.36	44					0		10.94
16.6	Benham National Tax Free/Long N	19.18	45					+		10.90
5.2	Country Capital Tax-Exempt Bond	19.03	46	36.01	38	67.58	34	+	–	7.78
163.2	Paine Webber Tax-exempt	19.00	47							10.45
56.8	Calvert Tax-free R/I/S/Long N	18.89	48					–	0	15.80
505.2	First Investors Tax-exempt	18.50	49	45.87	14	88.64	11	–	0	9.48
154.8	Lutheran Brotherhood Municipal Bond	18.46	50	37.86	36	78.25	24	0	0	7.44
193.5	Federated Tax-free Income	18.32	51	39.15	35	81.20	17	0	0	8.58
12.8	State Bond Tax-exempt	18.21	52					–		8.93
71.0	Lord Abbett Tax-free National	18.06	53					0		10.16
574.5	Scudder Managed Municipal N	17.48	54	41.29	33	80.66	19	0	0	8.40
6.6	Security Tax-exempt	17.31	55					0	0	10.06
1166.0	T. Rowe Price Tax-free Income N	16.91	56	34.10	39	74.13	31	–	+	9.03
6.0	Fund for Tax-free Long Term N	15.24	57					–	0	10.33
87.8	Pierpont Tax-exempt Bond N	13.65	58							10.61
56.1	AARP Insured Tax-free General Bond N	10.12	59							15.57
11.0	Venture Municipal Plus N	5.56	60	23.75	40			–	–	9.94

INTERMEDIATE MUNICIPAL FUNDS

These funds invest in tax-exempt bonds that have maturities in the range of two years to twenty years.

$561.4	Vanguard Municipal/Intermediate N	17.33%	1	38.66%	3	69.12%	2	+	–	$11.33
313.9	Fidelity Limited Term Municipal N	17.31	2	41.05	1	73.11	1	+	–	8.86
159.7	USAA/Intermediate N	16.30	3	38.84	2			+	–	11.75
754.8	Dreyfus Intermediate Tax-exempt N	16.06	4					+	–	13.10
55.2	Scudder Tax-free Target Fund 1993 N	14.50	5					+	–	10.59
70.4	Bankers Calif. Tax-free Trust/Intermediate N	13.99	6					0	–	10.10

TOTAL ASSETS (MILLIONS) 12/31/85	FUND	TOTAL RETURN/ 1 YEAR 12/31/84 to 12/31/85	Rank	TOTAL RETURN/ 3 YEARS 12/31/82 to 12/31/85	Rank	TOTAL RETURN/ 5 YEARS 12/31/80 to 12/31/85	Rank	BULL MARKET 4th quarter '84 4th quarter '85	BEAR MARKET 2nd quarter '84 3rd quarter '85	NET ASSET VALUE 12/31/85
$5.7	Fund for Tax-free Investors/Intermediate N	13.11%	7					+	–	$10.26
30.7	Limited Term Municipal	12.82	8					0		12.41
8.7	Benham National Tax-free/Intermediate N	12.56	9					0		9.66
11.7	Babcox Tax-free/Short N	11.10	10	26.05	4	56.69	3	+	+	10.60
20.6	Scudder Tax-free Target 1990 N	11.10	11					0	0	10.03
109.7	USAA Short-term N	9.49	12	25.29	5			–	+	10.47
151.3	T. Rowe Price Tax-free Short-Term/Intermediate N	8.88	13					0	+	5.09
77.8	Calvert Tax-free RSVS/Limited N	8.52	14	23.85	6			–	+	10.46
11.7	Midwest Group Tax-free/Limited N	8.15	15	21.30	7			–	+	10.26
41.5	Municipal Temporary Investors/Intermediate N	7.54	16	19.70	11			–	+	10.11
2.5	Benham National Tax-free/Short	7.28	17							9.90
30.5	Scudder Tax-free Target 1987 N	7.22	18					0	+	9.96
561.4	Vanguard Municipal/Short N	6.85	19	20.01	10	43.18	5	–	+	15.22
454.0	Merrill Lynch Municipal/Limited	6.74	20	20.47	8	43.64	4	–	+	9.75
226.0	Federated Short-Intermediate Trust N	6.55	21	20.22	9			0	+	10.18
34.5	AARP Ins. Tax Free/Short N	6.13	22							15.19

HIGH YIELD MUNICIPAL FUNDS

These funds invest in corporate bonds of below investment grade ratings (frequently labeled junk bonds). They emphasize high current yield.

$560.0	Vanguard Municipal-High Yield N	21.66%	1	47.34%	5	82.66%	8	+	–	$10.00
1640.1	Fidelity High-Yield Municipal	21.40	2	50.19	4	91.97	4	+	–	12.44
557.2	Prudential-Bache High-Yield Principal	21.36	3	50.60	2	90.36	5	+	0	15.37
98.9	Stalwart High-Yield Muni N	21.08	4					+	0	11.10
116.7	Fidelity H.Y. Tax-Free High Yield N	20.83	5					0		11.41
855.0	Merrill Lynch Muni High Yield	20.76	6	51.49	1	94.02	1	0	–	9.86
2565.2	IDS High Yield Tax-exempt	20.64	7	50.42	3	93.86	2	+	–	4.30
59.9	Colonial Tax-exempt High Yield	20.25	8	32.30	7	93.05	3	0	+	12.85
38.7	SIT Tax-free High Yield	17.31	9	31.23	6			0	–	10.90
276.6	MFS Managed High Yield Municipal	16.71	10					–	+	10.21
100.9	Principal Preservation Tax-exempt	7.01	11					–		9.02

CALIFORNIA MUNICIPAL FUNDS

These funds invest in tax-exempt bonds issued by localities in the State of California.

$11.7	California Municipal Fund N	22.22%	1					0		$10.67
106.4	Kemper California Tax-free Income	21.66	2					+	+	13.30
18.5	Selece California Tax-free Income N	21.61	3					+	–	10.87
534.9	Putnam California Tax-exempt Income	20.67	4					0	+	14.56
53.8	National Securities California Tax-exempt	19.72	5					–	0	12.06
30.5	Seligman California Tax-exempt Quality	19.53	6							6.27
69.3	Shearson California Municipals	19.33	7					+		15.04
183.0	Dean Witter California Tax-free	19.02	8					+		11.41
34.5	Seligman California Tax-exempt High Yield	16.85	9							6.20
111.5	Sentry California Tax-free N	15.49	10					+	–	10.33
55.3	Pacific Horizon California Tax-exempt N	18.39	11					0	0	13.07
787.5	Dreyfus California Tax-exempt Bond	16.03	12					0	0	14.13
122.1	Benham California Tax-free Trust-Long N	17.88	13					0	–	10.43
120.6	Nation California Municipal	17.76	14					0	0	10.39
9.0	Franklin California Tax-free Income	10.91	15	36.58	1	82.89	1	–	+	6.74
198.3	Fidelity California Tax-Free Municipal N	16.56	16					+		10.81
75.2	Prudential-Bache California Municipal N	16.37	17							10.97

NEW YORK STATE MUNICIPAL FUNDS

These funds invest in tax-exempt bonds issued by localities in the State of New York.

$1014.6	Franklin N.Y. Tax-free Income	22.28%	1	50.07%	2			+	–	$10.90
34.1	Oppenheimer N.Y. Tax-exempt	21.92	2							11.77
466.4	Putnam N.Y. Tax-exempt	21.14	3					0	0	15.96
124.2	Shearson N.Y. Municipals	21.02	4					+	0	15.48
43.6	Seligman Tax-exempt New York	20.89	5					0	–	7.75
967.2	Dreyfus N.Y. Tax-exempt Bond N	20.63	6					0	0	14.59
173.8	New York Municipal N	20.27	7	45.17	1			+	+	1.19

TOTAL ASSETS (MILLIONS) 12/31/99	FUND	TOTAL RETURN/ 1 YEAR 12/31/94 to 12/31/95	Rank	TOTAL RETURN/ 5 YEARS 12/31/90 to 12/31/95	Rank	TOTAL RETURN/ 5 YEARS 12/31/93 to 12/31/98	Rank	BULL MARKET 4th quarter '98 4th quarter '99	BEAR MARKET 2nd quarter '94 3rd quarter '98	NET ASSET VALUE 12/31/99
$58.6	Lord Abbett Tax-free New York	20.09%	6					0		$10.44
168.2	Prudential-Bache N.Y. Municipal R	19.88	8						+	12.11
20.4	Empire Builder Tax-free Bond	19.10	10					–		16.56
44.2	First Investors New York Tax-free	18.61	11					–		13.40
154.6	Hutton New York Municipal	18.53	12					–	0	10.67
90.7	Scudder New York Tax-free R	18.09	13					–	+	13.73
19.8	Park Avenue N.Y. Tax-exempt R	14.90	14					–	–	17.77
MASSACHUSETTS MUNICIPAL FUNDS	These funds invest in tax-exempt bonds issued by localities in the State of Massachusetts.									
$344.3	Fidelity Mass. Tax-free Municipal R	19.63%	1					0	0	$10.72
33.9	Investment Trust of Boston Mass. Tax-free Income	18.49	2					0		16.62
79.2	Seligman Tax-exempt Fund-Mass. Series	18.32	3					–	+	7.61
21.6	Prudential-Bache Mass. Municipal R	15.83	4					–	–	10.66
STATE MUNICIPAL FUNDS	These funds invest in tax-exempt bonds issued by localities in a single state.									
$52.8	Seligman Tax-exempt Michigan	21.10%	NA					0		$7.87
49.1	MFS Managed Tax-exempt Trust S.C.	19.90	NA							10.66
65.7	Seligman Tax-exempt Ohio	19.68	NA					–	0	7.61
8.0	Prudential-Bache Georgia Municipal R	18.27	NA							11.02
12.7	Prudential-Bache Ohio Municipal R	18.27	NA							10.86
48.8	Double Exempt Flexible Mun.	18.03	NA					0		11.12
66.2	Seligman Tax-exempt Minnesota	18.03	NA					+	–	7.51
144.1	DMC Tax-free Income Trust Pa.	17.94	NA	48.61		88.80		+	0	7.34
9.7	MFS Managed Tax-exempt Trust S.C.	17.90	NA							10.49
3.8	American Pioneer Arizona Tax-free	17.52	NA					–	+	5.25
22.9	Prudential-Bache Mich. Municipal R	17.24	NA							10.91
48.1	MFS Managed Tax-exempt Trust W.Va.	17.05	NA							10.33
26.4	Prudential-Bache Arizona Municipal R	17.00	NA							10.82
72.1	MFS Managed Tax-exempt Trust Va.	16.44	NA							10.94
4.3	Oregon Municipal Bond	16.43	NA							10.95
26.6	Kentucky Tax-free Income R	15.83	NA	40.52		82.83		–		6.43
6.1	Prudential-Bache Minn. Municipal R	15.41	NA							10.65
4.1	Prudential-Bache Ore. Municipal R	14.84	NA							10.66
29.7	MFS Managed Tax-exempt Trust Md.	14.01	NA							10.15
GENERAL CORPORATE FUNDS	These funds invest in corporate bonds of varying investment grades.									
$55.0	U.S. Life Income	27.45%	1	66.19%	1	134.69%	2	–	–	$10.67
31.2	Drexel Bond-Debenture Trading	26.89	2	57.32	3	134.03	1	+	–	20.34
200.8	Intercap Income Securities	25.86	3	57.79	2	127.40	4	+	0	19.66
35.2	IDS Investment Securities	24.96	4	53.71	6	108.22	9	0	0	18.32
380.5	National Bond	23.68	5	50.38	9	106.13	10	–	0	8.44
232.2	Keystone B-2 R	23.31	6	45.61	11	112.04	8	0	0	19.16
76.6	CMA Income Shares	23.16	7	55.29	4	117.27	6	–	0	11.47
243.2	IDS Bond	22.92	8	54.52	5	119.13	5	0	0	5.02
18.9	Boston Co. Managed Income R	21.83	9	44.80	12	86.47	12	–	+	11.86
4.6	Country Capital Income	20.94	10	52.15	8	92.63	11	+	0	10.50
CORPORATE FUNDS A RATED	These funds invest 60% of their corporate holdings in A-rated issues or better.									
$100.0	Fed Deerhorn Income Securities	31.91%	1	62.32%	1	128.67%	1	+	–	$14.65
69.0	Stone Income Shares	27.61	2	56.37	4	112.11	7	+	0	8.79
233.8	Hutton Investment Series Bond R	26.64	3	55.55	3			+	–	12.09
450.7	Bond Fund of America	26.63	4	55.26	5	120.46	4	0	+	14.01
139.0	United Bond Fund	25.42	5	56.85	2	122.56	3	0	0	8.05
6.6	GIT A Rated Income R	25.24	6					+	+	11.01
182.5	Drayton A Bonds Plus R	23.31	7	49.46	14	106.14	12	+	0	14.51
2.3	Bond Portfolio for Endowments R	23.23	8	48.52	17	112.39	6	–	0	890.26
1016.2	John Hancock Bond	22.43	9	52.96	6	110.00	9	+	+	15.85
44.8	Banner Hill Income Securities	22.27	10	41.02	25	99.97	20	–	–	17.59

TOTAL ASSETS (MILLIONS)	FUND	TOTAL RETURN/ 1 YEAR 12/31/94 to 12/31/95	Rank	TOTAL RETURN/ 3 YEARS 12/31/92 to 12/31/95	Rank	TOTAL RETURN/ 5 YEARS 12/31/90 to 12/31/95	Rank	BULL MARKET 4th quarter '94 4th quarter '95	BEAR MARKET 2nd quarter '94 3rd quarter '98	NET ASSET VALUE 12/31/95
CORPORATE FUNDS BBB RATED	These funds invest 60% of their corporate holdings in the top four grades of bonds.									
$224.5	American Capital Bond	34.67%	1	67.52%	1	133.03%	1	0	+	$22.54
30.9	Independence Square Income Securities	31.51	2	55.67	3	114.82	5	0	–	17.39
42.1	Axe-Houghton Income	28.80	3	57.32	2	118.25	4	+	–	5.29
102.9	American Capital Corporate Bond	26.12	4	52.72	7	109.97	6	–	–	7.31
16.3	Calvert Income N	24.02	5	52.73	6			+	0	16.86
55.8	MAS Fixed Income N	23.68	6							28.64
227.2	Paine Webber Investment Grade	23.04	7					0		10.52
937.0	IDS Selective	22.88	8	55.45	4	123.61	2	–	+	8.42
15.0	Financial Select Income N	22.70	9	35.72	15	86.31	13	0	–	6.84
156.3	Stein Roe Managed Bonds N	22.61	10	47.09	11	97.52	10	+	0	9.36
CORPORATE FUNDS BBB RATED-TRADING	These funds invest 60% of their corporate holdings in the top four grades of bonds. They may turn their portfolios over more than 100% a year in an attempt to increase the returns.									
$82.3	Vestaur Securities	30.67%	1	64.11%	2	124.02%	3	+	–	$12.90
44.1	Current Income Shares	30.44	2	66.63	1	142.52	1	+	0	–1.99
91.8	Pacific American Income Shares	27.89	3	61.13	3	127.84	2	+	0	16.04
300.0	Massachusetts Financial Bond	25.21	4	55.00	7	116.76	7	–	+	14.31
51.2	Hellenic Income Securities	25.23	5	58.03	4	123.11	4	+	0	17.26
151.8	Montgomery Street Income	24.81	6	57.01	5	119.15	6	0	+	19.34
147.0	John Hancock Income Securities	24.10	7	56.45	6	122.55	5	+	+	16.22
108.0	AMEV Securities	22.04	8	44.39	11	103.43	11	0	0	10.84
228.5	Fidelity Flexible Bond N	21.10	9	44.29	12	95.08	12	–	+	7.12
90.2	Criterion Bond Investment Quality	20.02	10	45.52	10	110.63	9	0	–	10.41
HIGH-YIELD CORPORATE FUNDS	These funds may invest in lower-rated tax-exempt bonds (frequently labeled junk bonds) for 50% of their portfolio.									
$52.3	Venture Income Plus	28.39%	1	82.56%	3	130.86%	4	0	0	$11.31
18.3	Financial High Yield Bond N	26.48	2					+	+	8.37
839.3	Fidelity High Income N	25.55	3	64.30	2	138.26	3	+	0	9.51
504.4	American Capital High Yield	25.25	4	58.50	7	119.25	7	+	0	10.46
17.9	Pacific Horizon High Yield N	25.17	5					0	+	15.93
70.1	Delchester Bond Fund	23.87	6	51.97	14	111.51	13	+	–	7.81
147.9	CIGNA High Yield	23.48	7	59.30	6	123.85	5	+	+	10.21
568.0	Massachusetts Financial High Income	23.45	8	66.07	1	142.05	1	0	0	7.22
939.8	United High Income	23.24	9	54.03	11	115.34	9	0	0	13.82
5.7	First Investors Special Bond	23.18	10	56.84	8			0	+	14.19
CONVERTIBLE SECURITIES FUNDS	These funds invest in convertible bonds and convertible preferred stocks.									
$33.1	Castle Convertible	27.76%	1	62.37%	2	163.67%	1	0	–	$31.21
83.2	American Capital Conv. Securities	27.72	2	62.66	1	136.19	3	0	–	28.89
55.3	Bancroft Convertible	27.31	3	60.24	4	86.48	6	+	+	28.75
206.9	Putnam Conv. Income Growth Trust	27.08	4	52.83	5	115.50	4	+	+	15.30
209.1	American Capital Harbor	24.21	5	50.54	6	105.02	5	0	–	13.99
77.6	Phoenix Convertible	21.76	6	61.15	3	137.96	2	–	+	17.79
21.6	Convertible Yield Securities	21.13	7	31.25	7	82.03	7	0	0	12.27
FLEXIBLE INCOME FUNDS	These funds invest in corporate bonds, preferred stocks, convertible bonds and stocks and or common stocks and warrants.									
$116.1	Transamerica Income Shares	28.37%	1	64.21%	2	137.86%	1	+	0	$22.05
224.0	Wellesley Income	27.41	2	76.25	1	136.17	2	0	0	15.31
82.4	National Total Income	26.67	3	64.19	3	131.22	3	0	0	7.10
.8	Horace Mann Balanced	26.09	4					+	+	13.71
19.5	JP Income	25.81	5	50.53	11	111.02	9	+	0	9.34
239.2	Northeast Investors Trust	25.69	6	58.11	8	128.72	4	0	0	12.68
40.4	Eaton Vance Income of Boston	24.99	7	59.76	5	112.21	7	+	0	9.85
217.0	Cigna Income	24.32	8	48.61	14	110.04	10	0	+	7.53
176.0	Dreyfus Special Income	23.88	9	61.66	4	91.85	16	0	0	8.30
26.1	Eaton Vance High Yield	22.04	10	56.81	7	112.61	6	0	0	5.22

DUN'S BUSINESS MONTH

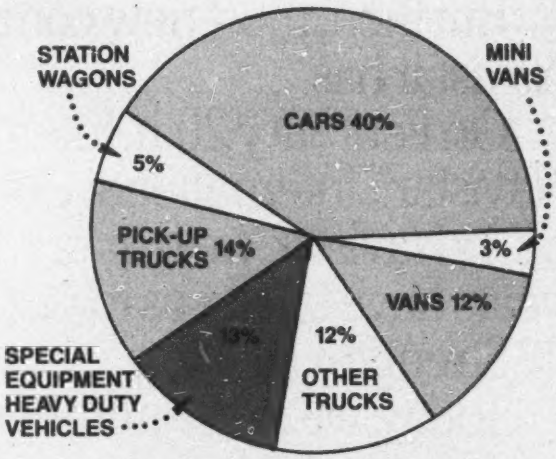
AUTO and TRUCK FLEET STATISTICS

A special Directory compiled by the Business Department

Listed below are the basic statistics on many of the most widely used automobiles, vans and light trucks in company fleets.

While reading through this Directory, note the Reader Information Number—in the far right column—of models that interest you. Literature and additional information can be obtained by just circling the number on the postage-paid card provided (on Pages 83 and 84).

All of the information you request will be sent directly to you by the automotive manufacturers.



1985 US AVERAGE FLEET COMPOSITION

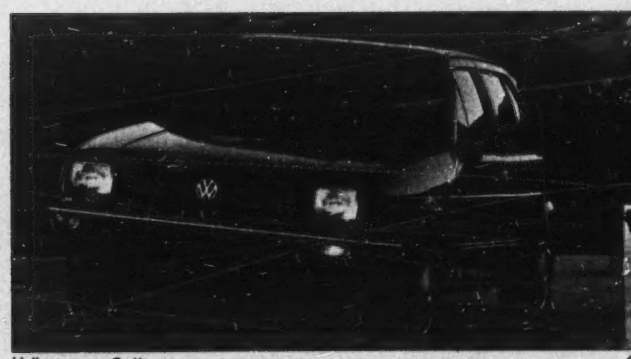
Mini Vans/Vans 1986 5.7% Gains

AUTO SPECIFICATIONS

MAKE/MODEL	Class	Doors	Overall Length	Weight	Front Seat Head Room (Inches)	Front Seat Leg Room (Inches)	Luggage Capacity (Cu. Ft.)	Drive Unit Front/ Rear 4-W	Engine	EPA (m.p.g.) City	EPA (m.p.g.) Country	Reader Information Number
AMERICAN MOTORS CORP.												
Renault Alliance L and DL—'87	Subcompact	4	163.8	1,955	37.1	40.8	13	Front	4 Cyl	26	30	100
AUDI OF AMERICA												
4000S—'86	Subcompact	4	176.6	2,337	38.1	40.9	12.8	Front	4 Cyl	25	30	101
5000S—'86	Mid-size	4	192.7	2,844	37.9	41.1	16.7	Front	5 Cyl	18	22	102
CHRYSLER CORP.												
CHRYSLER												
LeBaron GTC—'86	Mid-size	2	184.9	NA	37.6	42.4	14	Front	4 Cyl	22	27	103
LeBaron GTS—'86	Mid-size	4	180.3	2,715	38.3	41	18.3	Front	4 Cyl	23	25	104
DODGE												
Aries—'86	Compact	2	178.6	2,317	38.2	42.2	15	Front	4 Cyl	24	28	105
		4	178.6	2,325	38.6	42.2	15	Front	4 Cyl	24	28	
		Wagon	179	2,448	38.5	42.2	67.7	Front	4 Cyl	24	28	
Lancer—'86	Mid-size	4	180.3	2,715	38.3	41.0	18.3	Front	4 Cyl	23	25	106
Omni—'87	Subcompact	4	163	2,212	38.1	42.1	11	Front	4 Cyl	26	35	107
Shadow—'87	Compact	2/4	172	2,492	38.3	41.5	13	Front	4 Cyl	27	34	108
PLYMOUTH												
Horizon—'87	Subcompact	4	172	2,492	38.3	41.5	13	Front	4 Cyl	27	34	109
Reliant—'86	Compact	2	178.6	2,317	38.2	42.2	15	Front	4 Cyl	24	28	110
		4	178.6	2,325	38.6	42.2	15	Front	4 Cyl	24	28	
		Wagon	179	2,448	38.5	42.2	67.7	Front	4 Cyl	24	28	
Sundance—'87	Compact	2/4	172	2,492	38.3	41.5	13	Front	4 Cyl	27	34	111

AUTO SPECIFICATIONS Continued

MAKE/MODEL	Class	Doors	Overall Length	Weight	Front Seat Head Room (Inches)	Front Seat Leg Room (Inches)	Luggage Capacity (Cu. Ft.)	Drive Unit Front/ Rear 4-W	Engine	EPA (m.p.g.) City	EPA (m.p.g.) Country	Reader Information Number
FORD												
LINCOLN-MERCURY												
Grand Marquis—'86	Full-size	4	214	3,782	37.9	43.5	22.4	Rear	8 Cyl	18	26	112
Lynx—'86	Subcompact	4	166.9	2,158	38.1	41.5	16.5	Front	4 Cyl	25	30	113
		Wagon	168	2,338	38.1	41.5	58.3	Front	4 Cyl	25	30	
Sable—'86	Mid-size	4	190.9	2,932	38.3	41.7	18.5	Front	4/6 Cyl	20	28	114
Topaz—'86	Compact	4	176.2	2,377	37.5	41.5	13.2	Front	4 Cyl	23	28	115
GENERAL MOTORS												
BUICK												
Century—'86	Mid-size	2/4	189.1	2,696	38.6	42.1	16.2	Front	4/6 Cyl	22	32	116
Electra Park Avenue—'86	Full-size	2/4	197	3,254	39.3	42.4	16.1	Front	6 Cyl	19	30	117
LeSabre—'86	Full-size	2/4	196.2	3,108	38.3	42.4	16.1	Front	6 Cyl	18	28	118
Regal—'86	Full-size	2	200.6	3,199	37.9	42.8	16.2	Rear	6/8 Cyl	19	24	119
Riviera—'86	Full-size	2	187.2	3,309	37.8	42.7	13.7	Front	6 Cyl	NA	NA	120
Skyhawk—'86	Compact	2/4	175.3	2,343	37.7	42.1	12.6	Front	4 Cyl	27	37	121
Skylark—'86	Compact	4	180.1	2,551	37.7	43	13.4	Front	4/6 Cyl	23	34	122
Somerset—'86	Compact	2	180	2,524	37.7	43	13.4	Front	4/6 Cyl	23	34	123
CHEVROLET												
Caprice—'86	Full-size	2	212.8	3,546	38.5	42.2	20.9	Rear	6/8 Cyl	18	23	124
		4	212.8	3,564	39.3	42.2	20.9	Rear	6/8 Cyl	18	23	
		Wagon	215.1	4,095	39.6	42.2	87.9	Rear	6/8 Cyl	16	23	
Cavalier—'86	Compact	2	172.4	2,299	37.7	42.2	13.2	Front	4/6 Cyl	23	29	125
		4	174.3	2,342	38.6	42.2	13.6	Front	4/6 Cyl	23	29	
		Wagon	174.5	2,412	38.3	42.2	64.4	Front	4/6 Cyl	23	29	
Celebrity—'86	Mid-size	2	188.3	2,689	38.6	42.1	16.2	Front	4/6 Cyl	22	32	126
		4	188.3	2,718	38.6	42.1	16.2	Front	4/6 Cyl	22	32	
		Wagon	190.8	2,851	38.6	42.1	75.1	Front	4/6 Cyl	22	31	
PONTIAC												
Grand Am—'86	Compact	2/4	177.5	2,526	37.7	42.9	13	Front	4/6 Cyl	24/20	32/26	127
Grand Prix—'86	Mid-size	2	201.1	3,231	37.6	42.8	16.4	Rear	6/8 Cyl	18/	24/	128
Parisienne—'86	Full-size	Wagon	215.1	4,095	39.6	42.2	87.9	Rear	6/8 Cyl	18/	27/	129
Pontiac 6000—'86	Mid-size	2	188.8	2,600	38.6	42.2	16.2	Front	4/6 Cyl	23/20	32/27	130
		4	188.8	2,700	38.6	42.2	16.2	Front	4/6 Cyl	23/20	32/27	
		Wagon	193.2	2,860	38.8	42.2	74.4	Front	4/6 Cyl	23/20	32/27	
Sunbird—'86	Compact	2	173.7	2,353	37.7	42.1	12.6	Front	4 Cyl	24	31	131
		4	175.8	2,412	38.5	42.2	13.5	Front	4 Cyl	24	31	
		Wagon	175.6	2,487	38.4	42.3	64.4	Front	4 Cyl	24	31	
NISSAN												
Maxima—'87	Mid-size	4	181.5	3,040	37.1	42	14.5	Front	6 Cyl	18	26	132
Sentra—'87	Compact	2,3,4	168.7	2,200	NA	NA	NA	Front	4 Cyl	28	35	133
Stanza—'87	Compact	4	173.4	2,302	38.1	43	11.4	Front	4 Cyl	26	33	134
		Wagon	170.3	2,809	38.8	39.4	80	Front	4 Cyl	23	28	
SUBURU OF AMERICA												
GL Sedan—'87	Compact	4	172	2,380	37.6	41.7	14.9	Front	4 Cyl	25	27	135



Volkswagen Golf

Chevrolet Celebrity

AUTO SPECIFICATIONS Continued

MAKE/MODEL	Class	Doors	Overall Length	Weight	Front Seat Head Room (inches)	Front Seat Leg Room (inches)	Luggage Capacity (Cu. Ft.)	Drive Unit Front/ Rear 4-W	Engine	EPA (m.p.g.) City	EPA (m.p.g.) Country	Reader Information Number
TOYOTA												
Camry Liftback LE—2552—'86	Compact	4+Hatch	175.6	2,414	38.8	42.4	41.3	Front	4 Cyl	26	32	136
Camry Sedan 2521—'86	Compact	4	175.6	2,414	38.8	43.4	13.6	Front	4 Cyl	28	34	137
Celica Liftback 2195—'86	Subcompact	2+Hatch	171.9	2,515	37.8	44.4	25.2	Front	4 Cyl	25	31	138
Corolla Liftback 1712—'86	Compact	5+Hatch	166.3	2,081	37.8	42.4	20	Front	4 Cyl	31	37	139
Corolla Sedan 1702–'86	Subcompact	4	166.3	2,081	38.3	42.4	12.7	Front	4 Cyl	31	37	140
Cressida Sedan 3123—'86	Compact	4	187.8	NA	38.3	42	12.7	Rear	6 Cyl	19	24	141
Cressida Wagon 3164—'86	Compact	5	189.6	NA	38.8	42	70.2	Rear	6 Cyl	19	23	142
Supra 2398—'86	Compact	2+Hatch	183.5	NA	35.5	25.4	13.8	Rear	6 Cyl	NA	NA	143
VOLKSWAGON OF AMERICA												
Quantum—'86	Compact	4	178.3	2,661	38.2	42.3	13.1	Front	5 Cyl	18 19	22 22	144
Jetta—'86	Compact	2/4	171.7	2,275	38.1	39.5	16.6	Front	4 Cyl (diesel/gas)	23 27	27 34	145
Golf—'86	Compact	2/4	158	2,137	38.1	39.5	17.9/17.6	Front	4 Cyl (diesel/gas)	23 27	27 34	146

AMC Wagoneer

THE LOCATION FACTOR

Projected Ownership and Operating Costs for Typical Midsize Car

Location	Operating Costs	Ownership Costs	Total Annual Costs
San Francisco	$1,305	$3,049	$4,354
Philadelphia	1,133	3,037	4,170
Los Angeles	1,215	2,940	4,155
Houston	1,185	2,630	3,815
Chicago	1,260	2,471	3,731
Washington, DC	1,200	2,460	3,660
Des Moines	1,083	2,378	3,464
Orlando	1,098	2,285	3,373
Albuquerque	1,110	2,242	3,352
Raleigh	1,088	2,225	3,313

Note: Table based on typical midsize 4-door sedan with automatic transmission and luxury options. Costs include operating or variable costs; fuel, oil (before recent gas price drop), tires, maintenance; and ownership or fixed costs; insurance, depreciation, financing, taxes, license fees. Factors based on 4-year, 60,000 mile retention cycle.

(Source: Runzheimer International)

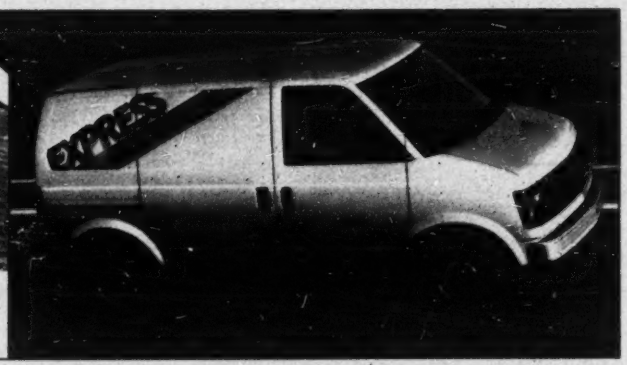
MINI VAN/VAN SPECIFICATIONS

MAKE/MODEL	Class	Doors	Overall Length (Inches)	Weight	Front Seat Head Room (inches)	Front Seat Leg Room (inches)	Carrying Capacity (Cu. Ft.)	No. of Passengers	Drive Unit Front/ Rear 4-W	Engine	EPA (m.p.g.) City	EPA (m.p.g.) Country	Reader Information Number
AMERICAN MOTORS JEEP CORP.													
Cherokee—'87	Passenger	2 & 4	165.3	2,751	38.3	41.6	71.2	5	Rear	4/6 Cyl	20	23	147
Cherokee and Wagoneer—'87	Passenger	4	165.3	2,979	38.3	41.6	71.2	5	4-W	4/6 Cyl	20	22	148
CHRYSLER CORP. CHRYSLER													
B150 Ram Van—'86	Cargo	4	196.9	1,715	36.1	NA	196.9	8	Rear	6/8 Cyl	14	17	149

MINI VAN/VAN SPECIFICATIONS Continued

MAKE/MODEL	Class	Doors	Overall Length (inches)	Weight	Front Seat Head Room (inches)	Front Seat Leg Room (inches)	Carrying Capacity (Cu. Ft.)	No. of Passengers	Drive Unit Front/ Rear 4-W	Engine	EPA (m.p.g.) City	EPA (m.p.g.) Country	Reader Information Number
DODGE													
Caravan—'86	Passenger	2	175.9	3,275	39	38	125	7	Front	4 Cyl	20	23	150
PLYMOUTH													
Voyager—'86	Passenger	2	175.9	3,275	39	38	125	7	Front	4 Cyl	20	23	151
GENERAL MOTORS													
CHEVROLET													
Astro—'86	Cargo	5	176.8	3,959	NA	NA	NA	—	Rear	4/6 Cyl	NA	NA	152
Astro—'86	Passenger	5	176.8	NA	NA	NA	NA	8	Rear	6 Cyl	NA	NA	153
Chevy Van G10—'86	Cargo	5/6	178.2/202.2	3,784	NA	NA	NA	—	Rear	6/8 Cyl	NA	NA	154
Chevy Van G20—'86	Cargo	5/6	178.2/202.2	3,782	NA	NA	NA	—	Rear	6&8/8 Dsl.	NA	NA	155
Chevy Van G30—'86	Cargo	5/6	202.2	4,521	NA	NA	NA	—	Rear	6&8/8 Dsl.	NA	NA	156
Sport Van G10—'86	Passenger	5/6	178.2/202.2	4,070	NA	NA	NA	5	Rear	6/8 Cyl	NA	NA	157
Sport Van G20—'86	Passenger	5/6	202.2	4,240	NA	NA	NA	8	Rear	6/8 Cyl	NA	NA	158
ISUZU													
Trooper II	Special Purpose	2 & 4	175.2	3,484	40.2	39.9	79	5	Rear/ 4-W	4 Cyl	18	21	159
TOYOTA													
Cargo Van 5545—'86	Cargo	3+Hatch	173	1,845	40.2	41.5	187.2	2	Rear	4 Cyl	22	24	160
DLX Passenger Van 5125—'86	Passenger	3+Hatch	175.8	1,500	39.6	41.5	NA	7	Rear	4 Cyl	22	24	161

Isuzu P'UP



Chevrolet Astro Van

LIGHT TRUCK SPECIFICATIONS

MAKE/MODEL	Class	Doors	Overall Length	Weight	Front Seat Head Room (inches)	Front Seat Leg Room (inches)	Carry Capacity (Cu. Ft.)	Carry Capacity (Weight)	Drive Unit	Engine	EPA (m.p.g.) City	EPA (m.p.g.) Country	Reader Information Number
AMERICAN MOTORS													
JEEP CORP.													
Jeep Comanche—'87	Mid-size Pick-up	2	199.6	2,931	39.6	39.9	76.6	2,205	Rear/ 4-W	4/6 Cyl	20	23	162
CHRYSLER CORP.													
DODGE													
Dakota—'87	Mid-size Pick-up	2	NA	3,200	40	49	58	2,550	Rear	4/6 Cyl	18	24	163
GENERAL MOTORS													
CHEVROLET													
S-10—'86	Pick-up	2	194.2	3,345	39.5	42.4	NA	1,625	Rear/ 4-W	4/6 Cyl	NA	NA	164
C-10—'86	Pick-up	2	212.2	3,589	40.5	40.8	NA	2,511	Rear 4-W	6&8/8 Dsl.	NA	NA	165

LIGHT TRUCK SPECIFICATIONS Continued

MAKE/MODEL	Class	Doors	Overall Length	Weight	Front Seat Head Room (Inches)	Front Seat Leg Room (Inches)	Carry Capacity (Cu. Ft.)	Carry Capacity (Weight)	Drive Unit	Engine	EPA (m.p.g.) City	EPA (m.p.g.) Country	Reader Information Number
ISUZU													
P'UP—'86	Small Pick-up	2	174.4	2,725	38.1	41.9	37	955	Rear/ 4-W	4 Cyl (diesel/gas)	25 19	31 23	166
NPR—'86	Lt. Truck	2	239	NA	NA	NA	NA	4,000	Rear	4 Cyl	NA	NA	167
IVECO TRUCKS OF NORTH AMERICA													
Z-120TA—'86	Lt. Truck	2	219.4	NA	36	24	78.4	6,265	Rear	6 Cyl	NA	NA	168
MAZDA													
B2000—'86	Std. Cab Truck	2	SB 182.7	2,650	38.6	42.5		1,400	Rear	4 Cyl	22	27	169
			LB 198.8	2,710	38.8	42.5		1,400	Rear	4 Cyl	22	27	
B2000—'86	Cab-Plus Truck	2	198.8	2,770	38.6	42.4		1,400	Rear	4 Cyl	22	27	170
NISSAN													
SE King Cab—'87	Compact Pick-up	2	190	2,835	39.3	42.6	53	1,400	Rear	6 Cyl	17	24	171
E Heavy Long Bed—'87	Compact Pick-up	2	190	2,795	39.3	42.2	62	2,000	Rear	6 Cyl	17	24	172
E Regular Bed—'87	Compact Pick-up	2	174.2	2,619	39.3	42.2	53	1,460	Rear	6 Cyl	21	25	173
E King Cab—'87	Compact Pick-up	2	190	2,835	39.3	42.6	53	1,400	Rear	4 Cyl	21	25	174
TOYOTA													
½ Ton 4X4 Std. Bed—'86	Standard Pick-up	2	174.6	NA	38.1	41.5	NA	1,400	Rear/ Front	4 Cyl	20	24	175
½ Ton Std Bed—'86	Small Pick-up	2	174.6	NA	38.1	41.5	NA	1,640	Rear	4 Cyl	27	31	176
½ Ton XTRA DLX—'86	Small Pick-up	2	195.5	NA	38.5	43.7	NA	1,640	Rear	4 Cyl	23	28	177

1986 NEW CAR ACQUISITION SURVEY
US COMMERCIAL FLEETS

Group	Number of Fleets	Number of Cars	Owned	Leased	Current Composition[1] Sub-Compact	Compact	Mid-Size	Large	1985 Acquisitions	1986 Planned Acquisitions	Planned '86 Acquisitions by Category Sub-Compact	Compact	Mid-Size	Large
Drug & Cosmetics	26	18,921	2,441	16,480	300	1,843	15,901	877	7,696	7,788	150	689	6,663	306
Food & Beverage	21	14,979	9,197	5,782	2	3,495	10,722	760	6,588	6,647	—	1,495	4,923	229
Chemical & Petroleum	31	18,434	8,890	9,544	120	827	11,137	6,275	5,316	6,527	40	595	4,004	1,888
Insurance	32	32,860	19,082	13,778	388	19,109	11,852	1,188	10,412	11,030	169	5,778	4,481	305
MFG-Consumer	34	22,533	14,388	8,145	30	3,102	17,030	1,621	8,602	8,698	3	680	7,494	271
MFG-Industrial	34	37,644	11,112	26,532	4	14,524	21,612	1,504	13,578	13,819	—	4,796	8,739	284
Financial	13	1,907	1,197	710	42	318	1,295	252	649	607	10	135	420	42
Totals	191	147,278	66,307	80,971	886	43,218	89,549	12,477	52,841	55,116	372	14,143	36,724	3,325

1) NAFA car categories are: *Sub-Compact*, under 99 in. wheelbase and 2,199 lb; *Compact*, 100–104 in., 2,200–2,599 lb; *Mid-Size*, 105–108 in., 2,600–3,199 lb; *Large*, over 108 in. and 3,200 lb.

Source: NAFA

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(3/31/86) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$26.02/share	$10,548	$13,711
per cent change		+5.5%	+37.1%
Bonds (30-yr., 11¾% Treasury Bond)			
MARKET VALUE	$140.18	$10,814	$14,115
ACCUMULATED INCOME		$ 76	$ 1,183
TOTAL		$10,890	$15,298
per cent change		+8.9%	+53.0%
Money Market Fund	6.96%	$10,059	$10,749
per cent change		+.6%	+7.5%
Gold (Krugerrands)	$336.10/oz.	$ 9,914	$ 9,802
per cent change		-.9%	-2.0%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$103,200	$100,800	$ 88,400
per cent change		+2.3%	+14.3%
New House	$109,200	$115,100	$91,300
per cent change		-5.4%	+16.4%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Manfra, Tordella & Brookes, Inc.; Federal Home Loan Bank Board.

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Estimated per-share earnings are $1-to-$1.20 in the current year and $1.50 in 1987, yet the stock was recently trading at less than 7.

Black has found several bargains in Japan. Honda and Toyota, for example, "are both superior companies with good franchises, yet they have low P/E's because investors are worried about their export exposure," he says. "But each takes a long-term view and has been gaining market share in the U.S." Shares are available in this country as American Depositary Receipts (ADRs). Black predicts Honda will earn $7.50-to-$7.75 a share in 1986 and $8.25-to-$8.50 next year. Toyota's estimated share earnings this year and next: $1.70 and $1.90.

Two favorite asset plays are also Japanese companies that trade as ADRs. Mitsubishi Estate is the largest real-estate development company in Japan, with extensive holdings in Tokyo's financial district. Although the company's return on equity is only 11% now, its growth rate is 10%. The big attraction is its conservative break-up value of $200 a share, considerably above the recent ADR price of $125.

So too with Taisho Marine, a major p/c insurer whose premiums are growing at an 8%-to-9% annual rate. The company's investment portfolio is 53% invested in Japanese securities, primarily stocks. Black views Taisho Marine as "almost a closed-end fund of Japan," recently selling at a 30% discount to its estimated asset value.

Another foreign bargain is Akzo N.V., an $8 billion-sales Dutch chemical concern. "It is gradually moving away from commodity chemicals into higher-return businesses, such as specialty coatings and pharmaceuticals," explains Black. And feedstock costs are coming down dramatically because of plunging oil prices. Akzo, which returns 20% on equity, can probably keep growing at a 10%-to-11% rate, he believes. Earnings should come in at $8.45 a share this year and $9.35 next if the Dutch guilder remains at current levels. —PHILIP SPRINGER